

Informing

BLACK GOLD

"Organic Fertilizer"

CERTIFIED RETURN RECEIPT
7001 1940 0002 6370 6170

July 29, 2008

Mr. John R. Baza
Division Director
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, UT 84114-5801

Subject: Proposed Assessment for Cessation Order Number MC-2008-25-01
Black Gold Organic Fertilizer, Rhea Rae Mine, S/019/0064,
Grand County, Utah

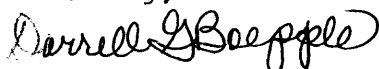
Dear Mr. Baza:

This is to request an assessment conference for the assessment made under the "Proposed Assessment for Cessation Order Number MC-2008-25-01, et al." dated July 14, 2008. Black Gold acknowledges the fact that barrels and other material were unmarked as identified by the inspector 4, June 8. In fact, the barrel markings were purposefully covered because the material in question is not hazardous as was stated in the report, but due to the process engineering techniques intended to be employed it was/is not clear how the "proper labeling" of materials would secure the process we intend to employ. Consequently, the notion and supporting statements made between the inspector and assessment officer that there was a potentially hazardous situation, is not supported in this case.

An agreement was made between the inspector and Darrell Boepple over the phone to remedy the citation at the time. It was understood between the inspector and Black Gold that there was a thirty day period allocated to remedy the violation before any assessments were to be made. Further, it was expected that the inspector would make arrangements to establish a meeting time on site to go over the actions performed to remedy the violation. This meeting never occurred, yet the violation has been remedied.

It is our opinion that the reasons stated above support an assessment conference in our case.

Sincerely,



Darrell Boepple
Treasurer, Black Gold Organic Fertilizer, Inc.

(original letter sent by Priority Mail) 7-29-08

RECEIVED

AUG 04 2008

DIV. OF OIL, GAS & MINING



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

*Copy for
your
convenience*

July 14, 2008

CERTIFIED RETURN RECEIPT
7005 2570 0000 4801 7345

Darrell Boepple
Black Gold Organic Fertilizer
3802 47th Street
Lubbock, TX 79413

Subject: Proposed Assessment for Cessation Order Number MC-2008-25-01, Black Gold Organic Fertilizer, Rhea Rae Mine, S/019/0064, Grand County, Utah

Dear Mr. Boepple:

The undersigned has been appointed by the Division of Oil, Gas & Mining as the Assessment Officer for assessing penalties under R647-7.

Enclosed is the proposed civil penalty assessment for the above notice of violation. The NOV was issued by Division Inspector Tom Munson, on June 12, 2008. Rule R647-7-103 et. seq. has been utilized to formulate the proposed penalty for the violation. The proposed assessed penalty is **\$2,200.00**. The attached worksheet specifically outlines how the violation was assessed.

By these rules, any written information which was submitted by you or your agent within fifteen (15) days of receipt of the NOV has been considered in determining the facts surrounding the violation and the amount of this penalty. Under R647-7-106, there are two informal appeal options available to you:

1. If you wish to informally appeal the fact of the violation, you should file a written request for an Informal Conference within thirty (30) days of receipt of this letter. This conference will be conducted by the Division Director or Associate Director.
2. If you wish to review the proposed penalty assessment, you should file a written request for an Assessment Conference within thirty (30) days of receipt of this letter.

The Informal Conference is distinct from the Assessment Conference regarding the proposed penalty. If you are requesting a review of the fact of violation as well as the proposed assessment, the assessment conference will be scheduled immediately following the review of the fact of the violation.



Page 2
Darrell Boepple
S/019/0064
July 14, 2008

If a timely request for review is not made, the fact of the violation will stand, the proposed penalty will become final, and the penalty will be due and payable within thirty (30) days of the date of this proposed assessment, by (August 13, 2008). Please remit payment to the Division, mail c/o Vicki Bailey.

Sincerely,

A handwritten signature in black ink, appearing to read 'Lynn Kunzler', with a stylized flourish at the end.

Lynn Kunzler
Assessment Officer

cc:

Enclosure: Proposed Assessment Worksheet
Task ID# 2459
Vicki Bailey, Accounting
Vickie Southwick, Exec. Sec.

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